(c) The Profits After Tax (PAT) and dividends paid by the company during the last three years are given below:

(In Rs. crore)

	1998-99	1999-2000	2000-2001
PAT	1324.96	840.27	1778.83
Dividends paid	76.00	76.00	1425.00

(d) and (e) The price of VSNL shares on 1st February 2002, the date on which bids were invited, was around Rs. 155 to Rs. 166 per share. The share prices of VSNL ranged from about Rs. 613 to Rs. 1023 per share on Bombay Stock Exchange during February-March, 2000.

(f) and (g) India had committed to WTO to review the opening up of International Long Distance (ILD) services to competition in the year 2004. The objectives set forth in the National Telecom Policy of 1994 includes private investment to bridge the resource gap. Thus, the Government committed itself to deregulate the telecom sector in a phased manner. Therefore, the Government decided to discontinue VSNL monopoly on ILD services by 31st March, 2002 in order to remove constraints on the development of telecom sector in the country, as it was committed to deregulate the telecom sector in a phased manner. Valuation of any company depends on several factors and it is, therefore, difficult to quantify the effect of each individual element.

Method of valuation of VSNL

319. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have disinvested their shares in VSNL;

(b) if so, the details thereof;

(c) the method of valuation adopted and the reserve price arrived at by each of these methods;

(d) the global advisor and other expert agencies involved;

(e) whether the successful bidder company will be given a bridge loan to finance the purchase; and

(f) if so, the details thereof and the manner in which this loan will be repaid?

THE MINISTER FOR DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Yes Sir. The Government has disinvested 25% equity stake in VSNL in favour of Panatone Finvest Limited, a Tata Group company at a consideration of Rs. 1439.25 crore.

(c) As per guidelines framed by the Government for the purpose of valuation, the Advisor adopted four methods of valuation.

(i) Discounted Cash Flow Methodology
(ii) Balance Sheet Methodology
(iii) Comparable Companies Methodology
(iv) Asset Valuation Methodology

The reserve price was arrived at after considering the report of the Advisor on valuation using different methodologies.

(d) M/s Credit Suisse First Boston and SBI Capital Markets Limited acted as the Advisor to the Government in the disinvestment transaction of Government equity stake in VSNL. M/s Crawford Bayley & Co. assisted the Government as Legal Advisor and M/s Pricewaterhouse Coopers acted as Asset Valuer.

(e) and (f) The Government will not give any bridge loan to the successful bidder company to finance the purchase.

Restructuring in PSUs

320. MISS MABEL REBELLO: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have exhausted all option of running the public sector undertakings efficiently and reached the conclusion that these should be sold;

(b) if so, the options that were examined; and

(c) whether Government have examined restructuring the manpower framework in the public sector to provide greater flexibility to the management for achieving greater productivity and efficiency?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Disinvestment in Public Sector Undertakings (PSUs) is being done